Financial Improvement and Audit Readiness (FIAR) Plan and OMB A-123, Appendix A Requirements

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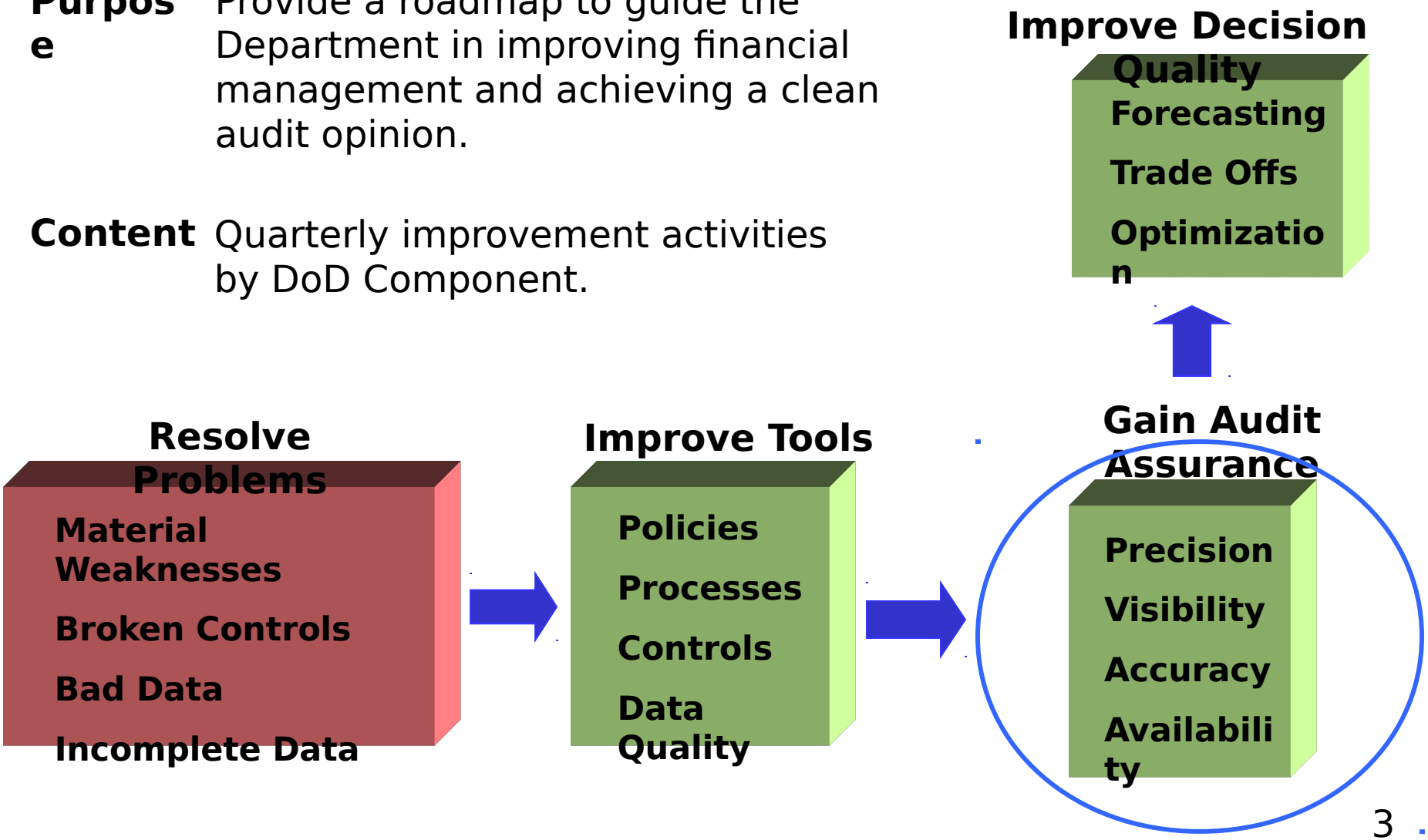
Agenda

- What Is the FIAR Plan
- How Is the FIAR Plan Built
- DoD Approach to Financial Improvement
- OMB A-123, Appendix A Requirements
- Relationship Between FIAR Plan and OMB A-123 Process
- Discovery and Correction
- Validation and Assertion
- FIAR Planning Tool
- Wrap Up

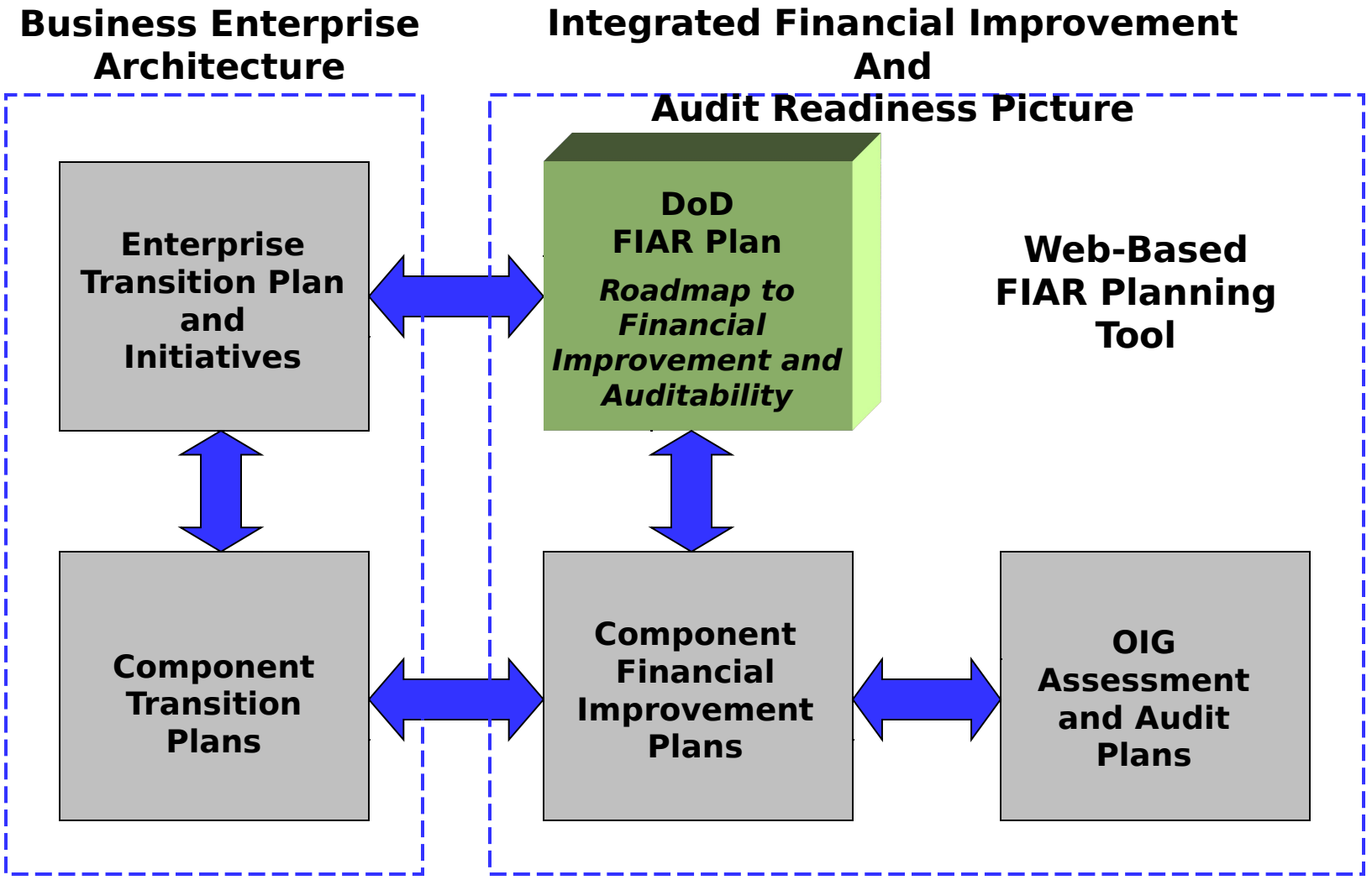
What Is the FIAR Plan

Purpose Provide a roadmap to guide the Department in improving financial management and achieving a clean audit opinion.

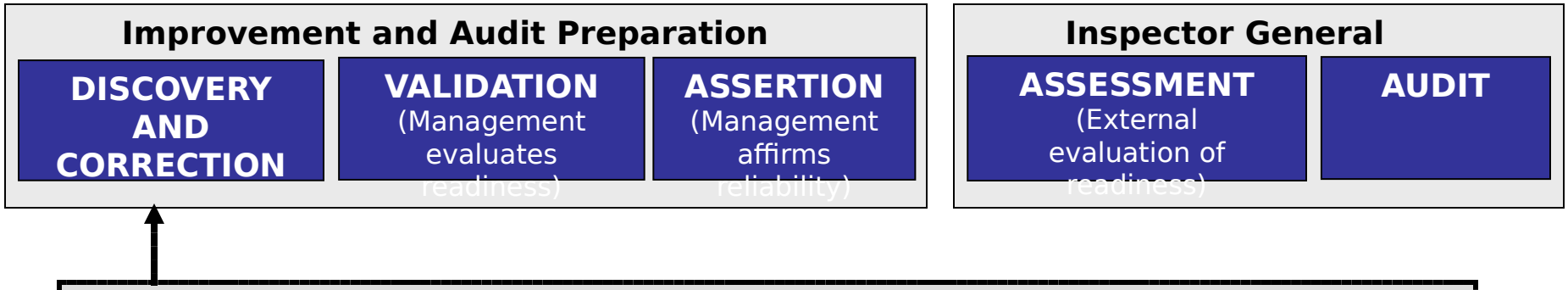
Content Quarterly improvement activities by DoD Component.



How Is The FIAR Plan Built


Business Enterprise Architecture
Integrated Financial Improvement And Audit Readiness Picture
Enterprise Transition Plan and Initiatives
DoD FIAR Plan
Roadmap to Financial Improvement and Auditability
Web-Based FIAR Planning Tool
Component Transition Plans
Component Financial Improvement Plans
OIG Assessment and Audit Plans

DoD Approach to Financial Improvement

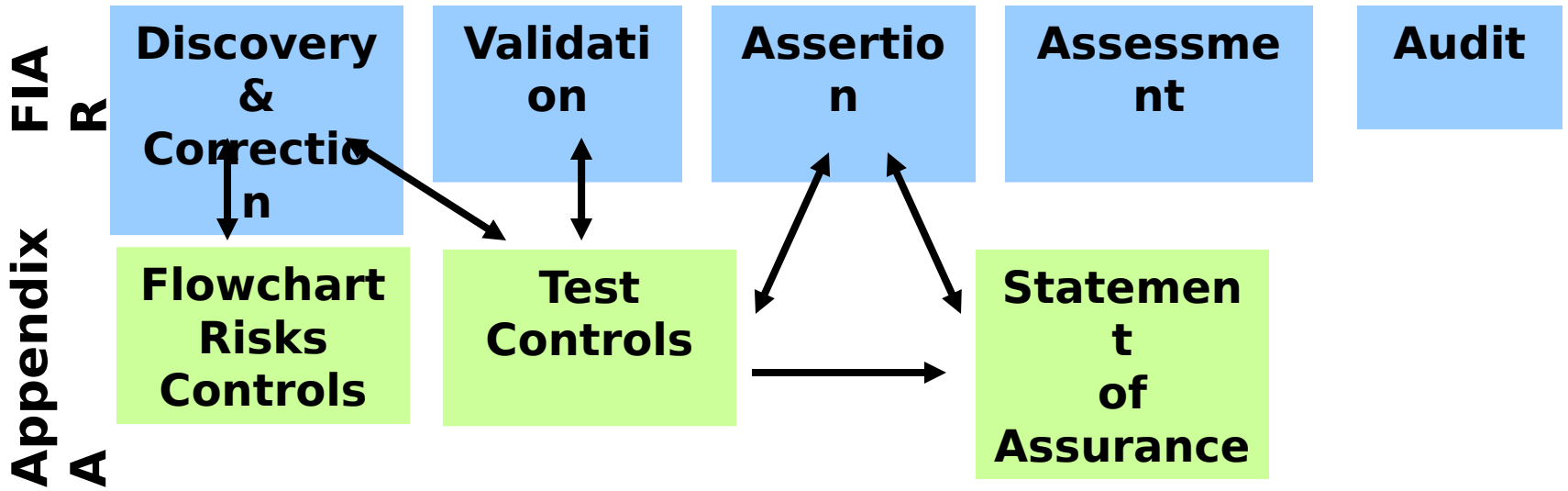


- Today the primary emphasis is on the identification of problems and corrective actions.
- Corrective actions build on solutions available in the Enterprise Transition Plan.

OMB A-123, Appendix A Requirements

- Establish Senior Assessment Team
- Flowchart and identify risk
- Document internal controls
- Assess internal controls
- Document assessment
- Assert effectiveness of internal controls
- Develop corrective action plans

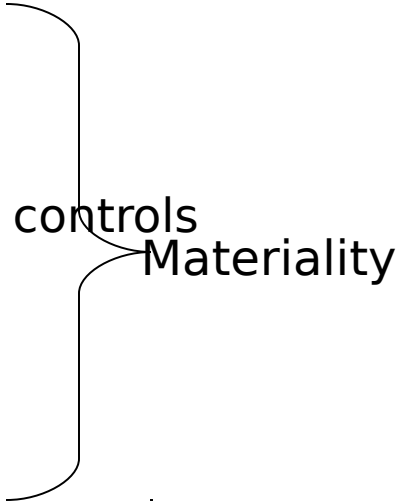
Relationship Between FIAR Plan and OMB A-123 Process



Discovery and Correction

The discovery phase is all about identifying processes, controls, and deficiencies.

- Flowcharts processes
- Identifies risks and controls or the lack of effective controls
- Documents internal controls
- Identifies corrective actions for deficiencies



KEY: Use the same information for both needs.

Validation

- Management validates that corrective actions had intended impact
- How?
- By testing information **AND** controls
  - Management defines scope
  - Performed by various parties, e.g., Internal Review, Service Audit Agency, Contractor, or other staff

KEY: Use the same information for both needs.

Assertion

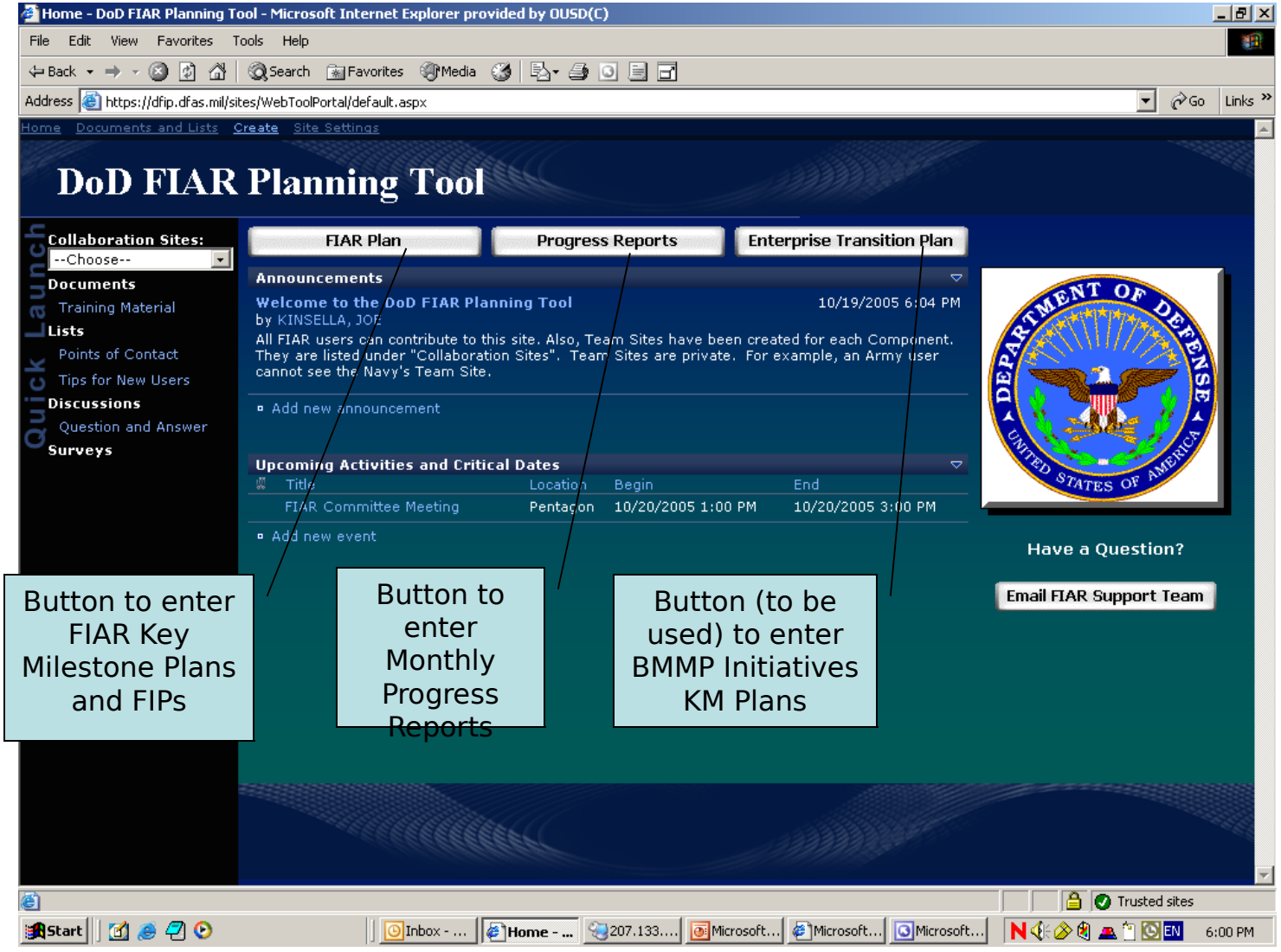
- Management asserts that information is reliable.
- Based on work done in the validation, management can also form an assertion on controls.
- Assertion can address **BOTH** information and controls.
- Information can be used for **BOTH** the Statement of Assurance and the FIAR Assertion Package
  - e.g., Summaries of corrective actions
  - e.g., Systems reviews

KEY: Use the same information for both needs.

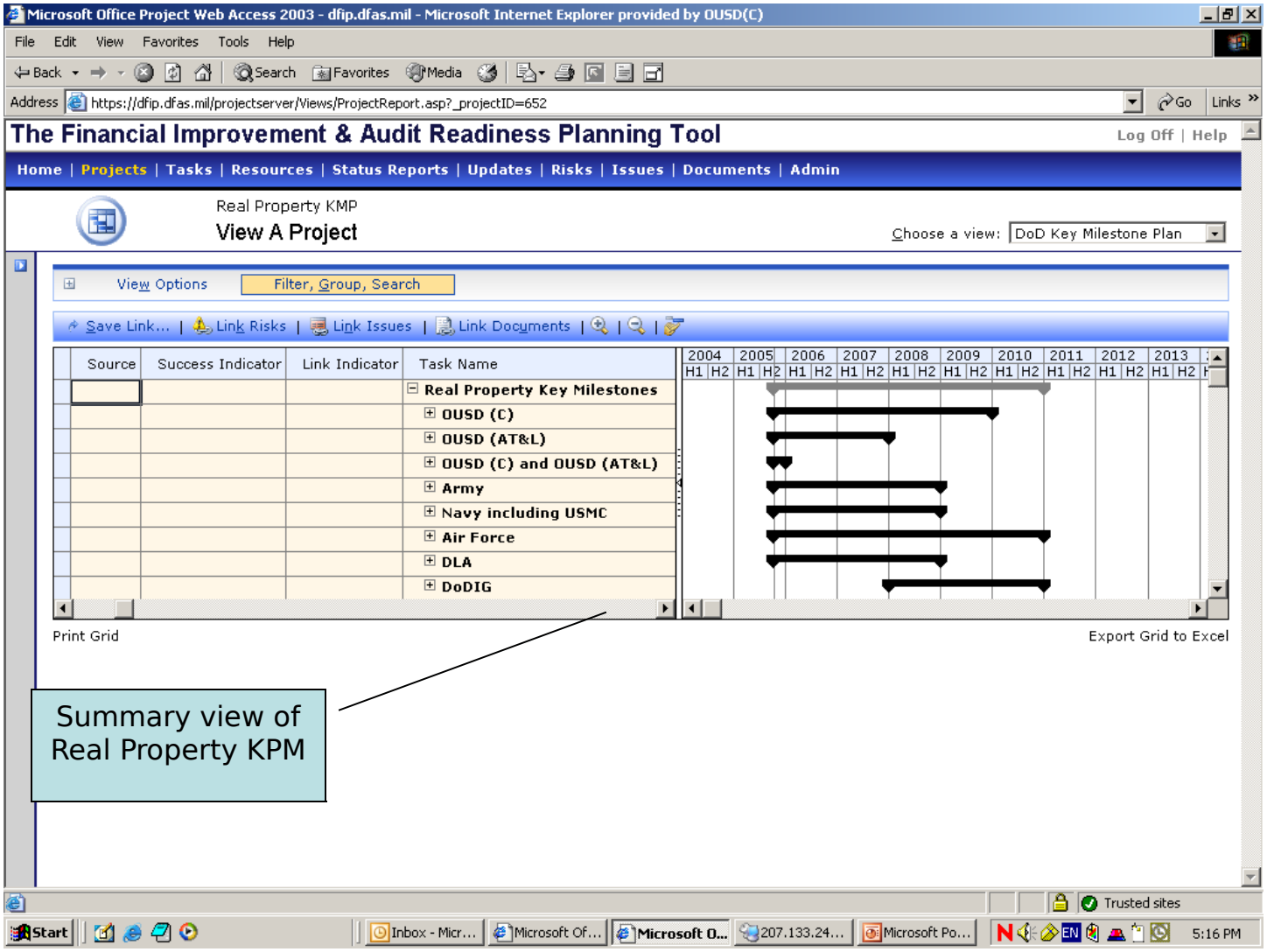
Corrective Actions

- Corrective actions from tests (control and data) feed back into the FIAR Plan.
- FIAR Directorate is staffing guidance to address process.
- Invite advice and suggestions on how to craft this process to best suit all of our needs.

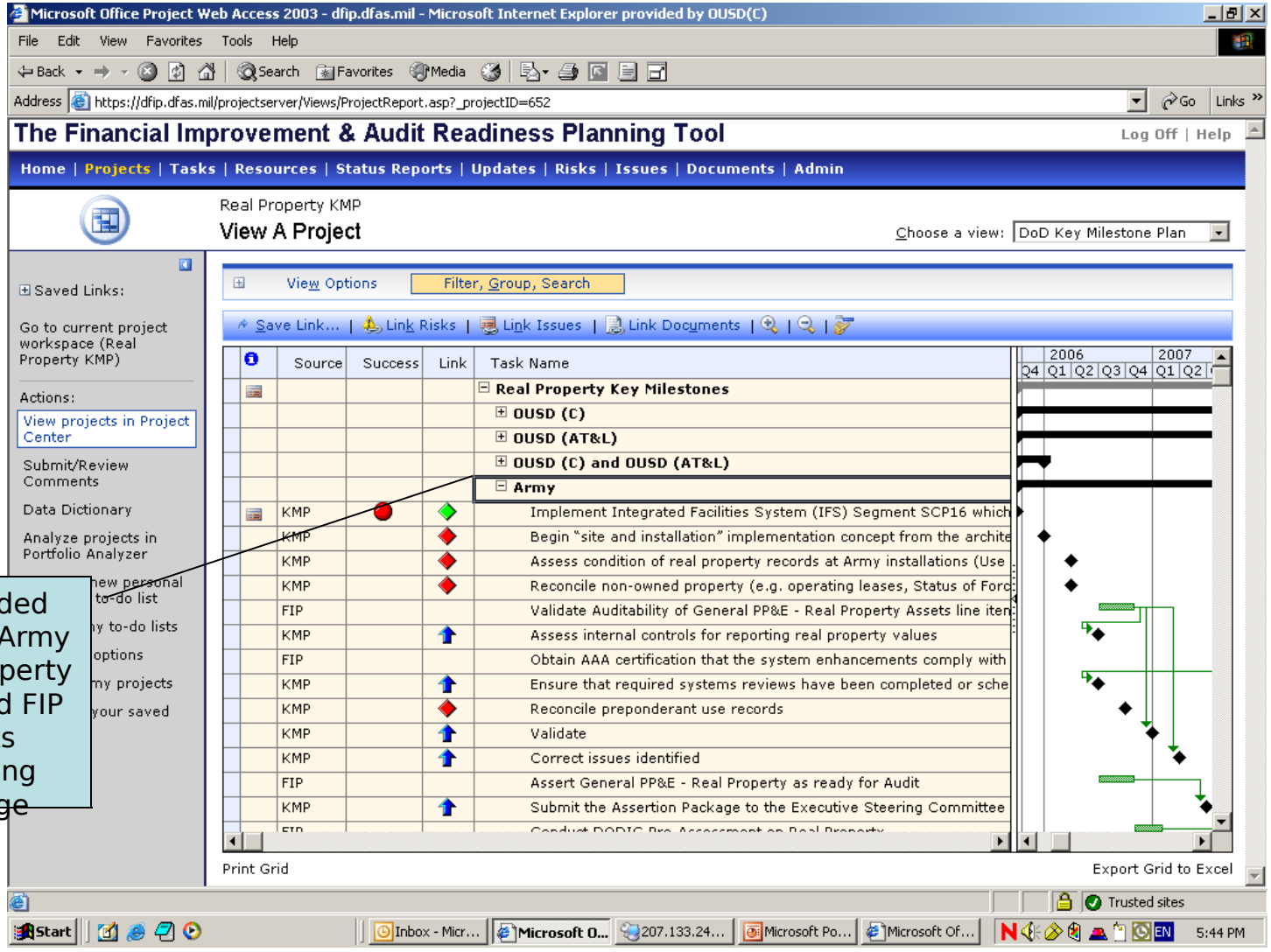
FIAR Planning Tool – Home Page



FIAR KMPs and A-123, Appendix A, Actions Loaded in FIAR Planning Tool


Microsoft Office Project Web Access 2003 - dfip.dfas.mil - Microsoft Internet Explorer provided by OUSD(C)
https://dfip.dfas.mil/projectserver/Views/ProjectReport.asp?_projectID=652
The Financial Improvement & Audit Readiness Planning Tool
Log Off | Help
Home | Projects | Tasks | Resources | Status Reports | Updates | Risks | Issues | Documents | Admin
Real Property KMP
View A Project
Choose a view: DoD Key Milestone Plan
View Options
Filter, Group, Search
Save Link... | Link Risks | Link Issues | Link Documents
Source
Success Indicator
Link Indicator
Task Name
Real Property Key Milestones
OUSD (C)
OUSD (AT&L)
OUSD (C) and OUSD (AT&L)
Army
Navy including USMC
Air Force
DLA
DoDIG
2004 2005 2006 2007 2008 2009 2010 2011 2012 2013
H1 H2
Print Grid
Export Grid to Excel
Summary view of Real Property KPM
Trusted sites
Start
5:16 PM

FIAR Plan KMs Are Linked to FIP Tasks


Microsoft Office Project Web Access 2003 - dfip.dfas.mil - Microsoft Internet Explorer provided by OUSD(C)
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The Financial Improvement & Audit Readiness Planning Tool
Log Off | Help
Home | Projects | Tasks | Resources | Status Reports | Updates | Risks | Issues | Documents | Admin
Real Property KMP
View A Project
Choose a view: DoD Key Milestone Plan
Saved Links:
Go to current project workspace (Real Property KMP)
Actions:
View projects in Project Center
Submit/Review Comments
Data Dictionary
Analyze projects in Portfolio Analyzer
View Options
Filter, Group, Search
Save Link... | Link Risks | Link Issues | Link Documents
Source
Success
Link
Task Name
2006
2007
Q4 Q1 Q2 Q3 Q4 Q1 Q2
Real Property Key Milestones
OUSD (C)
OUSD (AT&L)
OUSD (C) and OUSD (AT&L)
Army
KMP Implement Integrated Facilities System (IFS) Segment SCP16 which
KMP Begin "site and installation" implementation concept from the archite
KMP Assess condition of real property records at Army installations (Use
KMP Reconcile non-owned property (e.g. operating leases, Status of Forc
FIP Validate Auditability of General PP&E - Real Property Assets line iten
KMP Assess internal controls for reporting real property values
FIP Obtain AAA certification that the system enhancements comply with
KMP Ensure that required systems reviews have been completed or sche
KMP Reconcile preponderant use records
KMP Validate
KMP Correct issues identified
FIP Assert General PP&E - Real Property as ready for Audit
KMP Submit the Assertion Package to the Executive Steering Committee
Print Grid
Export Grid to Excel
Trusted sites
Start
5:44 PM

Expanded view of Army Real Property KMs and FIP tasks showing linkage

Wrap Up

- OMB A-123 Requirements are Complimentary to the FIAR Plan
- The Same Types of Work can Support Both Needs
- This Is The First Year---We Will Learn Together
- Invite Your Comments and Advice
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  - FIAR Plan: Marsha Porter 703.607.0300 X111